

**Technology Customer Council Meeting
Minutes of December 16, 2003**

F i n a l

Present: Steve Mosen, Greg Wright, Leon Schwartz, Rich Jacobs, Dale Woolery (on behalf of Marv Van Haaften), Steve Morris, Larry Murphy, Lee Tack, Jim Anderson (on behalf of Cindy Eisenhower), Gary Nichols, Carl Martin, Steve Gast (ex-officio)

Absent: ---

Guests: John Gillispie, Judy Peters, Nadir Mehta, Sharon Sperry, Diane Van Zante, Denise Sturm, Joan Rowley, Lorrie Tritch

Steve Mosen called the meeting to order. It was noted that a quorum of members was present.

- 1) Review and Approve Minutes – Larry Murphy moved, seconded by Greg Wright, approval of the December 9, 2003 meeting minutes with noted revisions. An oral vote was taken, approving the revised minutes.
- 2) Follow-up on Issues from December 9 Meeting – Denise Sturm reviewed the issues raised at the last meeting, contained in the “Questions and Answers” document forwarded to the council on December 12.

Question 1: “What expenses are contained in the rates and what additional rates would an agency still be charged for?”

Answer: Currently, an agency pays three rates associated with IFAS and HRIS:

- a) Mainframe activity – This includes processing, storage and printing activities, however, printing costs were not included in the IFAS and HRIS utility rates and will continue to be billed separately.
- b) User ID’s – These are the T numbers used to log onto the mainframe. Customers will continue to be billed separately for T numbers (mainframe user ID’s)
- c) Networking (commonly referred to as LU’s) – Networking costs were not included in the IFAS/HRIS expenses and customers will continue to be billed separately for LU’s.

Question 2: “Can you clarify what a T number and an LU mean?”

Answer: Lorrie Tritch explained that a T number is a number assigned to each user to allow them access to the mainframe or to a mainframe application. An LU has to do with the software for accessing the mainframe.

Question 3: Are “CA Server queries included in the IFAS or HRIS rate?”

Answer: No. ITE considers this a different service and will continue to bill it separately.

Question 4: “How will DAS/ITE bill for special extracts? Is/will there be any overlap of personnel costs or double recovery of personnel costs?”

Answer: Special extracts will be billed based on activity. Personnel costs will be billed at a time and materials basis except if the personnel are part of DAS/ITE’s mainframe support.

Question 5: “Will either ITE procurement (8%) or GSE (1%) markups be continued?”

Answer: GSE sets the rate for purchasing, so the 1% charge is outside of ITE’s purview. The 8% recovery fee does not apply to HRIS and IFAS, so is considered a separate service. This fee is for the value-added service that ITE provides with respect to procurement (technical expertise and/or purchases on behalf of a customer).

Question 6: “Will customers be billed for any mainframe processing charges?”

Answer: Customers will not be billed for any mainframe processor utilization that is created by logging onto IFAS or HRIS and accomplishing their tasks within those applications. Steve Gast inquired about DOT batch processing, as initial processing takes place within DOT’s system, however the data does subsequently interface with HRIS/IFAS. ITE will research the issue.

The council asked for a summary indicating what each agency is currently being billed for. They also expressed interest in seeing a comparison of current charges to proposed charges. Denise will try to get as much of that information as possible.

Summary of changes made to the original package sent to the Customer Council:

- a) Changed the denominator in the rates from just full time to full time and part time positions
- b) Subtracted personnel costs associated with generating and maintaining T numbers
- c) Moved I3 indirect costs to I3 direct

A clarification was made with regard to “part-time” positions. For rate calculation purposes, ITE is referring to “permanent part-time” positions.

- 3) Methodology for IFAS/HRIS – At the last meeting, the council discussed using full time and part time permanent positions as the divisor in the rate calculation. This would not include any positions classified as temporary. Denise received some concerns about utilizing this method, so wanted to ensure that council members were

comfortable with the decision. Denise mentioned that she spoke with Steve Lindner and he allocates the cost of IFAS based on transactions.

The council suggested two possible alternatives: a) division by number of agencies, regardless of their size, or b) division by approved operating budget. Any option would have inherent inequities. An argument could be made that every employee benefits from IFAS in some way or another. Denise reported that Steve Lindner does not foresee a problem with the use of permanent positions, as long as we can justify our reasoning to the federal government. Questions arose about the accuracy of the FTE counts provided to the council. Denise will verify the numbers provided by the Human Resources Enterprise. There may be a desire to validate the counts with the agencies themselves. It was also suggested that all the DAS customer councils use the same divisor, as it would lend continuity to the rate setting process. The council's decision will result in a one-year fixed rate.

- 4) Rate determination for IFAS and HRIS – Council members agreed to move ahead with a proposed rate structure. Rich Jacobs moved, seconded by Larry Murphy, tentative approval of the following, pending the resolution of a few remaining items and the solicitation of feedback from partner agencies:

HRIS and IFAS rates will be calculated based upon total HRIS expenses of \$884,545.18 and total IFAS expenses of \$471,634.65, as provided by the Department of Administrative Services, Information Technology Enterprise. The divisor used in the rate calculation will be based upon a combination of full time permanent and part time permanent employees in each agency, using counts from the first quarter of FY2004 as a baseline. Counts presented by ITE on 12/16/03 are subject to adjustment and verification by DAS-HRE. The rate will be fixed for one year, correlating to the period of FY2005. The rate presented will be per person, per month, and will be billed monthly. If there is a realignment of staff within state government, which results in personnel moving from one agency to another, ITE will adjust its billing process accordingly.

Prior to the meeting on December 23:

- ITE will rework the cost estimates for each agency, based upon FY2004 1st quarter counts
- ITE will research issues associated with batch processing in situations where departments may do partial processing within their own systems and interface data to HRIS/IFAS
- Customer Council members will confer with partner agencies

Any adjustments to the aforementioned motion will be considered at the December 23, 2003 meeting prior to calling for a final vote.

The Chair called for a vote on the motion. An oral vote was taken, resulting in unanimous approval.

It was noted that the rate for I3 would be addressed in the May-June, 2004 timeframe.

- 5) Additional utility services – Denise Sturm provided an overview of the Directory Services Utility (not including common calendaring). The directory services utility replaces what is commonly referred to as the “Hub” and is based on all users being part of the enterprise directory. This means that the service is no longer optional. Council members voiced uncertainty with regard to the definition of a utility. John’s understanding is that a utility exists when there are economies of scale, and if a utility does exist, everyone participates. Concern was expressed that this definition may not support the original intent of a utility in that an agency is expected to use a utility, even if it does not have a need for that service. Council members asked ITE to expand the information and explain what services customers would get through the Hub, so that members can share this information with their partner agencies. The denominator would be the same as that used for IFAS/HRIS. Lorrie Tritch advised that there is currently a proposal to replace the Hub and use the directory module within Microsoft. A question arose about the need for each employee to be included in the directory service. The directory service is not only for individuals with computer access/e-mail privileges, but will also serve as a general directory for all state staff. Rich Jacobs asked that pertinent information shared with the CIO Council (scheduled to meet December 18) also be brought back to the Technology Customer Council.
- 6) Next steps for council members and other discussion – The Chair outlined the following items:
 - ITE will bring back requested information on HRIS/IFAS so that rates can be finalized at the next meeting
 - Spreadsheets will be updated and redistributed, DOT batch processing issue will be researched
 - Members will disseminate information to their partner agencies and obtain feedback
 - Additional information will be forthcoming from Lorrie Tritch on common directory

There being no further business, Rich Jacobs moved to adjourn the meeting, seconded by Greg Wright. The meeting adjourned at 2:52 p.m.